

David Yarbrough joined Yarbrough Transfer Company – the business of his great grandfather, grandfather and father – in 2007. Today, he and his father Jim are focused on preparing the 84-year-old company for the transition from the third generation of family ownership and leadership to the fourth.

**ACT** reports



**R.L. Yarbrough (depicted in the framed portrait) founded Yarbrough Transfer Company in 1927. This painting was commissioned to commemorate the company's four generations of family leadership. Depicted from left are Jim Yarbrough, president, John Yarbrough and David Yarbrough, executive vice president**



**Yarbrough Transfer is known for its work moving construction equipment, but has diversified its focus over the past 10 years to include industrial machinery and other fabricated items such as storage vessels, generators and turbines**

# Continuing the legacy

**Y**arbrough Transfer Company was founded in 1927 by R.L. Yarbrough. It was started as a moving and storage business, although the company also moved some general commodities, primarily from rail heads in Virginia and North Carolina into the Winston-Salem, NC area. The company operated mostly smaller trucks, including modified Model T Fords. At one time, R.L. Yarbrough owned some 20 trucks. But due to the scarcity of commodities and labor during the war, he sold the company to a local competitor.

R.L. Yarbrough's son, John Yarbrough, who was born around the time the company was founded, joined the Marines during World War II and served in the South Pacific. In the late 1940s, after returning from the war, he repurchased the company name and continued the business. His focus was in moving and storage, although he always had a passion for heavy haul and rigging.

John Yarbrough was a bit of a pioneer in the heavy haul business, purchasing likely the first hydraulic crane – a Grove – in the state of North Carolina, as well as one of the first removable gooseneck trailers in the state. Yarbrough Transfer was an agent for North American Van Lines for several decades, and then became an agent for Bekins Van Lines.

John's son Jim worked for the company throughout his childhood and continued as an adult. He drove a truck, worked moving crews, was a dispatcher, and finally became an owner and president of the company in the early 1980s. His passion was specialized transportation. During Jim

Yarbrough's tenure the company has keyed in on providing specialized transportation services. As a result of that focus, by the mid-1990s, moving and storage was a very small portion of the business. That portion of the business was eliminated in 1997 to focus solely on heavy haul. From the early 1980s through the mid-2000s, as a result of deregulation and a focus on customer service, Yarbrough Transfer Company grew from a small local carrier to a more regional player in the market.

David Yarbrough represents the fourth generation of leadership in the company. As a youngster he helped out in the shop, and later in high school and college, he worked as a dispatcher. But his dream was to be a lawyer.

"So after college, I went to law school in New Orleans at Tulane University," says David Yarbrough. "It was in law school that I realized that my true passion was business – business and financial transactions, business management and how businesses work."

After law school he moved back to North Carolina and worked at a law firm in Greensboro as a business bankruptcy lawyer.

"I did not have much formal training in business, and pretty quickly I had to learn how to review financial statements, how to recognize the signs of a company in trouble, and how to help creditors and distressed businesses create solutions to difficult business and financial problems through negotiation and compromise," David remembers. "I came to realize during the time I practiced law that I enjoyed helping my clients negotiate

and create business solutions for their problems a lot more than I enjoyed the courtroom side of law practice. Once I realized that, it was only a matter of time before I made the decision that I needed to be on the business side of the table rather than the lawyer side of the table.”

David Yarbrough joined the business of his great grandfather, grandfather and father in 2007. Before that time, the company had not identified any successors to run the business, so David and his father have spent the past several years updating technology, hiring a management team and focusing on getting the company ready for the transition from the third generation of family ownership and leadership to the fourth.

“My father and I work very well together and have complimenting talents,” says David, who serves as executive vice president. “My primary function is to oversee the administration of the business and sales, and his primary function is to oversee operations and maintenance, although there certainly is a lot of overlap.”

*American Cranes & Transport* had a lot of questions for David Yarbrough about the family company that he and his father have navigated through a tough economic downturn. A sharp, thoughtful and steadfast businessman, David Yarbrough offers strong insight and interesting assessments of the heavy haul sector.

### What is it about the transportation business that you like?

In the specialized transportation segment of the industry, shippers have unique freight with unique demands. The thing I most enjoy about the transportation business is partnering with our customers to come up with transportation solutions that fit their needs. One of the things that has carried over from my law practice is my enjoyment of helping people solve their problems. In the transportation industry, each load we move is like a problem that we have to help our customers solve by moving it in an efficient, safe, and cost-effective manner.

### What is it you like the least?

The thing I least enjoy about the transportation industry is navigating the continually growing maze of laws and regulations that govern virtually every business decision we make. From the Department of Transportation, to the Environmental Protection Agency, to the state and local agencies, there are not

many decisions we can make these days without having to consider the impact of some law or regulation governing how – and sometimes even whether – we can do business with our customers.

### What do you think distinguishes Yarbrough Transportation in the markets it serves?

Our three core values are safety, service and professionalism. I believe that our focus in these three areas attracts customers to our company.

Safety, which intentionally falls first on our list of core values, means that we take every step to ensure that our customers’ freight is moved from origin to destination without damage, and that we do so in a way that protects our employees, customers, and the general public from injury.

Service means taking a partnership approach with your customers and doing the right thing by them, even if it is not always to your financial benefit to do so. We certainly do not try to service our customers for a loss, it would be foolish to think we have survived for 84 years without being profitable. In taking a partnership approach to service, we work with our customers to understand their business and what they are trying to accomplish, and we provide solutions that not only fulfill their transportation needs but also make them happy to do business with our company.

Professionalism is the way in which we offer our service. Our drivers are some of the most experienced in the industry, our operations personnel are responsive and knowledgeable about our industry, and our management team has a variety of professional backgrounds and diverse talents. We strive to embody our core values at every level.

### How has Yarbrough weathered the economic downturn? Do you think the worst of the downturn is over?

The past few years have been extremely difficult, but rather than focusing on the immediate consequences of the economic downturn, we set our sights on using the recession period to prepare our company for what we foresee to be a slow, prolonged period of growth. We used the time productively by focusing on improving our expense ratio, implementing cutting-edge software and technology infrastructure, identifying and hiring talented employees, and perhaps most importantly, preparing for the upcoming transition of leadership



**Yarbrough Transfer has a fleet of unique specialized equipment, such as this tank hauler. Jim Yarbrough, president of the company, contributed to the design of the extendable tank hauler, which meets the needs of several of the company’s customers**

of this company from one generation to the next by doing succession planning and putting in place the team that will lead this company for the next 20 years.

As far as the downturn, I do believe the worst is over. Our business rebounded significantly in 2010 after a dismal 2009. However, I do not believe that we are going to see a quick ramp-up in business and economic conditions like we experienced in the early to mid-2000s. That was driven by growth that at times appeared to defy the principles of economics – credit flowing freely, irrational optimism and unprecedented growth in the construction sector. I think we are more likely to be entering a long period – perhaps a decade or more – of slow, sustained growth.

### How do you approach competition in the markets you serve?

Many professional golfers remark about how they seek to “play against themselves” or “play the course.” Our company takes a similar view. Although it is always important to know what the competition is doing, we serve as our own bellwether. We believe that if we do business with a sharp focus on our core values of safety, service and professionalism, our company will be competitive. We do not typically seek to compete based solely on price. Rather, we seek to differentiate our company through bringing value as a partner to our customers.

### What makes Yarbrough Transfer a successful company?

The word success is extremely subjective.



What I deem a success may be a complete failure to someone else. I do believe that our company has been, is and will continue to be successful, as long as we focus on our core values. I think our customers are pleased with the services we provide to them. We have an enviable fleet of equipment. We treat our employees with respect, pay them well, and offer good benefits. Our management is focused on teamwork and collaboration. I think all of these things contribute to what has made us successful through the years.

#### **How does the company stay competitive in a down market?**

We have stayed competitive in the down market by maintaining our focus on being a value provider to shippers seeking a premium service level. Because of our high service and responsiveness levels, we are not always the best option for customers whose primary focus is on price. However, sophisticated shippers typically search for a carrier to partner with them in a way that allows them both to meet their transportation needs and to improve their business processes. By knowing our target customers, I believe that we can remain competitive in any economic circumstances.

#### **What is your biggest concern for the business of specialized transport?**

Driver resources. We are having a difficult time right now finding qualified, experienced, professional heavy haul drivers to meet the needs of our fleet. I anticipate that we will continue to experience these shortages of talent in the driver pool, and our industry will have



**Although he grew up in the business, David Yarbrough (left) aspired to be a lawyer. After several years working as an attorney, he returned to the family business his great grandfather founded 84 years ago. John Yarbrough, (right) is president of the company**

to get better at identifying, recruiting and training drivers in order to meet the freight demands in the future.

#### **What is it you do when you are not working?**

I work a lot, but when I am not at work, I enjoy spending time at home with my wife and two young daughters. I have a 3-year-old and a 3-month-old, so there hasn't been much sleep around my house lately. When I have some spare time apart from work and family, I enjoy playing golf, and I am also a movie and video game buff. ■